

## EXHIBIT 3

### MATCHING CONTRIBUTION REQUIREMENTS

By establishing the HOME Program, Congress intended to establish a partnership between the federal government, states, units of local government and nonprofit organizations to expand the supply of affordable housing for low-income families. According to 24 CFR Part 92 §218, contributions must be made to qualified housing in an amount equal to 25 percent of appropriated HOME funds drawn down for housing projects. These contributions are referred to as “match”.

For FFY 2007, applicants must meet five percent of the match obligation and MDOC will meet twenty percent. To be considered eligible match, a contribution must be made from nonfederal sources and must be made to housing that is assisted with HOME funds. Contact the MDOC for a confirmation letter of match liability for each project.

Matching contributions may be in the form of one or more of the following. Please mark which kind of contribution you will be able to make.

- ☐ Cash contributions from nonfederal sources and permanently contributed to the HOME project. This contribution cannot be made by the owner/developer. Nonfederal cash match contributions to HOME-assisted or HOME-eligible projects may be expended for activities that are eligible project costs, as well as for costs that are not eligible HOME costs.
- ☐ Below-market interest rate loan from private lending institution.
- ☐ The value of state or local taxes, fees, or other charges that are normally imposed but are waived, foregone, or deferred.
- ☐ The value of donated land or other real property, before the HOME assistance is provided and minus any debt burden, lien, or other encumbrance.
- ☐ The cost of on-site and off-site infrastructure directly required for affordable housing assisted with HOME funds, not paid with federal resources. (The cost of infrastructure related to affordable housing that is NOT HOME assisted is not an eligible form of match).
- ☐ Proceeds from multifamily and single family affordable housing project bond financing validly issued by a State or local government, or an agency, instrumentality, or political subdivision of a State and repayable with revenues from the affordable housing project.
- ☐ Donated site-preparation and construction materials not acquired with federal resources and any donated or voluntary labor in connection with the site preparation.

- \_\_\_\_\_ Value of donated or voluntary labor or professional services for site preparation, rehabilitation and/or construction of affordable housing. (An unskilled labor rate is \$10/hr. Skilled or professional rate is the normal market rate.)
- \_\_\_\_\_ Value of sweat equity for a homeownership project.
- \_\_\_\_\_ Direct cost of supportive services for families residing in HOME-assisted units during the period of affordability or receiving HOME tenant based rental assistance.
- \_\_\_\_\_ Direct cost of homebuyer counseling services to families that acquire properties with HOME funds.
- \_\_\_\_\_ Twenty-five percent (25%) of the face value of most Montana Board of Housing loans.
- \_\_\_\_\_ Other \_\_\_\_\_
- \_\_\_\_\_

Please provide MDOC with a list of proposed match and MDOC will determine the value of the eligible form of match to be utilized for the project.

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

If you have questions, please contact the HOME program at (406) 841-2820.